



COMPANY UPDATE / ESTIMATE CHANGE

Key Metrics

LABL - NASDAQ - as of	2/7/17	\$75.55
Price Target		--
52-Week Range	\$40.15 -	\$81.20
Shares Outstanding (mm)		16.9
Market Cap. (\$mm)		\$1,279.1
1-Mo. Average Daily Volume		66,825
Institutional Ownership		89.7%
Net Debt/Total Capital	Q3'17	56.9%
ROE	TTM	15.4%
Book Value / Share	Q3'17	\$20.52
Price / Book Value		3.7x
Dividend Yield		0.3%
Adj EBITDA Margin	TTM	17.5%

EPS Fiscal Year 3/31

		Prior	Current	Prior	Current
	2016A	2017E	2017E	2018E	2018E
1Q	*\$0.91	--	*\$0.95	A --	--
2Q	*\$0.93	--	*\$0.99	A --	--
3Q	*\$0.68	--	\$0.70	A --	--
4Q	*\$0.70	\$0.85	\$0.83	--	--
Year	\$3.22	\$3.54	\$3.47	\$3.72	\$3.78
P/E	23.5x		21.8x		20.0x

* adjusted for special items

Revenue (\$mm)

		Prior	Current	Prior	Current
	2016A	2017E	2017E	2018E	2018E
1Q	\$217.9	--	\$236.5	A --	--
2Q	\$219.8	--	\$232.1	A --	--
3Q	\$206.0	--	\$210.7	A --	--
4Q	\$227.1	\$233.6	\$235.1	--	--
Year	\$870.8	\$917.6	\$914.4	\$960	\$966

Company Description: Cincinnati, OH-based Multi-Color Corp, established in 1916, is a leader in global label solutions supporting prominent brands selling a range of home & personal care, wine & spirit, food & beverage, and specialty consumer products. LABL serves brand owners across 6 continents. Multi-Color employs ~4600 associates across 46 operations globally, and trades on the NASDAQ under 'LABL'.

Industrials

Analyst: Spencer E. Joyce, CFA
502.588.8402 / sjoyce@hilliard.com
Institutional Sales Desk: George Moorin
502.588.9141 / gmoorin@hilliard.com
J.J.B. Hilliard, W.L. Lyons, LLC
February 8, 2017

Multi-Color Corporation

LABL – NASDAQ – Neutral – 3

Mixed Fiscal Q3'17 Shows Growth but Misses Expectations.

- LABL reported fiscal Q3'17 (October-December) adjusted EPS of \$0.70 versus \$0.68 in the year-ago period. Results fell short of both our target for \$0.75 and consensus at \$0.76. Sales growth and improved margins were offset by higher taxes, netting to +3.4% yr/yr EPS.
- Revenue grew 2.2% to \$210.7MM in fiscal Q3, which again missed both our estimate for \$215.3MM and consensus at \$218.5MM. Organic sales were only +2%, half our expectation; acquisitions added ~3% to sales in Q2 while FX impact was a 2% drag.
- Ireland and the UK were cited as problematic in the quarter, with weakness driving a full -1% contribution to consolidated LABL sales. FX was a drag here, but execution issues were most impactful, in our view, as the company turned over management, consolidated facilities, and implemented new technology systems.
- Core (non-GAAP) SG & A expense grew just 1.0% in Q3, a far cry from the 20%+ yr/yr run rate from just a few quarters ago. Acquisitions create positive carry here, but we are pleased with the slowing spend. We view core SG & A at ~9% of sales as an attainable goal.
- Gross margin at 19.6% in Q3 expanded by 40bps, but nonetheless was important in driving our EPS miss.
- We were relieved that LABL announced two deals that closed in January, representing TTM sales of ~\$18MM, which slightly de-risks our model going forward. LABL expects it can add \$100MM to sales in 2018 via M&A, though we take a more cautious modeling approach.
- LABL trimmed its FY 2017 EPS accretion target, but kept its 2018 expectations intact. We now have firm 2017/2018 EPS guidance of \$3.50/\$4.00.
- We are reiterating our Neutral rating. LABL's aggressive stance toward 2018 is comforting, but at this point we choose to let the stock digest the disappointing Q3 before re-evaluating valuation and the longer-term risk/reward setup.

**Note Important Disclosures on Pages 7-8.
Note Analyst Certification on Page 7.**

ADDITIONAL DISCUSSION—Q3 RESULTS

We are quite disappointed with Multi-Color Corp.'s third quarter performance, and actually believe much of the sharp move lower early in today's trading session was justified. Sales growth of 2.2% is the slowest quarter since Q1'14, and while M&A plays a part here, we expected considerably better organic performance with the 'beer label' exit that plagued the last year or so having finally anniversaried.

Conversely, pricing and mix was indicated to have had little impact on the quarter (yr/yr basis), which in our estimation, marks a departure from most of the last couple of years where +1% to +2% was the norm. One quarter does not a trend make; however we have trouble seeing how LABL consistently hits its long-term +3% to +5% long-term organic growth target on strictly volume growth.

As noted in our opening bullet point, Ireland and the United Kingdom were indicated to have been particularly soft in Q3'17. A mix of currency and macro factors likely set the tone, although LABL acknowledged that much of the weakness was attributable to the company 'trying to do too many things at once.' We do not expect the potential for these businesses was impacted much from the third quarter; however, we are migrating toward a view that investors (and analysts) need to temper base case expectations from an execution standpoint, so long as LABL continues to have such a vast array of operational initiatives underway.

Gross margin (percentage) was below our model, and was actually more impactful to driving our EPS miss than were the revenue items. Yr/yr improvement was encouraging, and at this point we simply lower our base-case expectations for fiscal third quarters. On the positive side, LABL's effective tax rate in Q3 was below our target, even though the core effective rate of just over 20% was nearly double the rate from the prior year. Looking forward to 2018, management expects the full year core effective rate to revert back to ~32%, which is unchanged in our model.

We continue to reflect \$40MM of incremental revenue impact in fiscal 2019 from not-yet-announced acquisitions, although our 'phantom' impact to 2018 slips to \$30MM; inclusive of closed deals, we model acquisitions to contribute +5.3% to fiscal 2018 sales, which would be a slight acceleration from what we expect from the nearly-complete fiscal 2017. We note that much of our downside to LABL's \$4.00 EPS target for next year is due to lower acquisition impact, with management expecting sales to top \$1B for the first time next year.

ADDITIONAL DISCUSSION—P&G RELATIONSHIP

Once LABL files its 10-Q, we should be able to estimate the Procter & Gamble relationship, which accounted for sales of \$35.0MM and \$35.9MM in the one-year and two-year ago periods, respectively. After several divestitures, culminating with the sale of a portfolio of beauty brands in October 2016, our P&G analyst expects the product portfolio to be more stable at Procter moving forward. We remain diligent in tracking this relationship, which at this point remains an important growth driver for LABL, in our view.

SUITABILITY

We assign LABL a suitability rating of '3.' A complete description of our suitability scale is on page 7. Small-cap status, a narrow product focus (consumer labels), reasonable but modestly aggressive leverage and a reliance on roll-up acquisitions push LABL below our more conservative ratings. A strong history of execution and a long history of operations, along with leading market positions in some technologies and entrenched positions with several major customers, keep LABL well above our most aggressive '4' rating.

CONSIDERATIONS AND RISKS

Multi-Color Corporation generates >40% of its sales internationally, and we expect most of its acquisitions moving forward to occur outside of the United States. Changes in the status quo regarding globalization, free capital flow and/or free trade could materially and negatively impact LABL.

Multi-Color was found by their external auditors to have material flaws in internal reporting controls during the FY 2014 auditing process. After changing accounting firms, LABL's new auditors reiterated this position following the FY 2015 auditing process, although the situation was remedied during the FY 2016 auditing process. Nonetheless, not-yet-discovered issues that may be derivative of the inadequate controls represent a potential risk factor. With Q2'16 results, management noted a 'step function' increase in accounting/compliance costs.

LABL has been an active acquirer in recent years, and we believe a portion of investor expectations regarding future growth are tied to an expectation for future deals. Failure to effectively integrate potential purchases and/or overpayment for assets could result in asset impairments and a reduced capital position. Expected cost synergies and the ability to execute on the organic strategy for acquired assets may not materialize, and could cause Multi-Color to fall short of investor expectations.

Tangible book value is negative for LABL.

LABL generates a significant portion of its revenue from Procter & Gamble (~17% as of FY 2016); a deterioration of this relationship could have a material adverse effect on the company. Similarly, many of Multi-Color's clients are large global consumer products firms, and while no customer outside of PG marks >10% of revenue, we expect several other major firms represent a material portion of business for LABL.

Consolidation throughout the packaged food, wine & spirits, household products and soft beverage industries represents a two-fold risk factor, in our view. Acquisition of a client by a non-client could result in a loss of business, while consolidation could also lead to a client base with greater negotiating leverage.

LABL is expected to provide high quality labels and solutions under time constraints. An inability to deliver on commitments could result in the loss of business or inability to secure future new business.

Multi-Color's labels are typically applied to consumer products, a severe pullback in consumer consumption of either staple or discretionary goods could negatively impact the firm. We believe management has little ability to compel consumption of products carrying their labels.

Our Suitability rating is 3 on a 1-to-4 scale (1 = most conservative, 4 = most aggressive)

Additional information is available upon request.

Prices of other stocks mentioned: Procter & Gamble (PG--\$88.01, Long-term Buy, \$100)

Multi-Color Corp (LABL)

(\$'s in thousands)

	march '14	march '15	Jun '15	Sept '15	Dec '15		march '16	Jun '16	Sept '16	Dec '16		march '17	march '18	march '19
Income Statement Analysis	FY'14	FY'15	Q1'16	Q2'16	Q3'16	Q4'16	FY'16	Q1'17	Q2'17	Q3'17	Q4'17E	FY'17E	FY'18E	FY'19E
Revenues	\$ 706,432	\$ 810,772	\$ 217,920	\$ 219,784	\$ 206,028	\$ 227,093	\$ 870,825	\$ 236,494	\$ 232,140	\$ 210,658	\$ 235,080	\$ 914,370	\$ 966,310	\$ 1,031,740
Cost of Revenues	574,375	637,498	171,085	172,653	166,418	179,043	689,199	184,401	182,187	169,441	184,538	720,570	759,760	810,730
Gross Profit	132,057	173,274	46,835	47,131	39,610	48,050	181,626	52,093	49,953	41,217	50,542	193,800	206,550	221,010
%	18.7%	21.4%	21.5%	21.4%	19.2%	21.2%	20.9%	22.0%	21.5%	19.6%	21.5%	21.2%	21.4%	21.4%
Selling, G & A Expense	57,293	68,012	20,516	18,412	20,423	22,647	81,998	22,654	19,736	20,408	22,550	85,348	88,140	92,680
%	8.1%	8.4%	9.4%	8.4%	9.9%	10.0%	9.4%	9.6%	8.5%	9.7%	9.6%	9.3%	9.1%	9.0%
Facility Closure Expense	1,166	7,399	253	472	1,790	2,685	5,200	157	57	393	-	-	-	-
Loss on Legal Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill Impairment	13,475	951	-	-	-	-	-	-	-	-	-	-	-	-
Operating Inc.	60,123	96,912	26,066	28,247	17,397	22,718	94,428	29,282	30,160	20,416	27,992	108,452	118,410	128,330
%	8.5%	12.0%	12.0%	12.9%	8.4%	10.0%	10.8%	12.4%	13.0%	9.7%	11.9%	11.9%	12.3%	12.4%
Interest (Expense)	(21,776)	(26,386)	(6,390)	(6,618)	(6,102)	(6,641)	(25,751)	(6,456)	(6,521)	(6,141)	(5,911)	(25,029)	(23,414)	(22,814)
Other Income / (Expense)	5,910	346	125	410	(650)	(1,752)	(1,867)	270	290	1,125	(1,750)	(65)	(60)	(60)
Pre Tax Inc.	44,257	70,872	19,801	22,039	10,645	14,325	66,810	23,096	23,929	15,400	20,331	83,358	94,936	105,456
Income Tax (Expense)	(16,033)	(25,156)	(6,547)	(5,385)	(1,008)	(6,041)	(18,981)	(7,186)	(7,395)	(3,205)	(6,099)	(23,890)	(30,380)	(33,750)
Tax Rate	36.2%	35.5%	33.1%	24.4%	9.5%	42.2%	28.4%	31.1%	30.9%	20.8%	30.0%	28.7%	32.0%	32.0%
Net Income	28,224	45,716	13,254	16,654	9,637	8,284	47,829	15,910	16,534	12,195	14,232	59,468	64,556	71,706
Less: (NI)/Loss Attrib to non-CI	0	0	0	(84)	(9)	3	(90)	(105)	(191)	(69)	0	(365)	0	0
Net Income att to LABL (ctd ops)	28,224	45,716	13,254	16,570	9,628	8,287	47,739	15,805	16,343	12,126	14,232	59,103	64,556	71,706
%	4.0%	5.6%	6.1%	7.5%	4.7%	3.6%	5.5%	6.7%	7.0%	5.8%	6.1%	6.5%	6.7%	7.0%
Shares Out.	16,599	16,877	16,880	16,942	16,963	16,934	16,952	16,961	17,008	17,039	17,044	17,013	17,058	17,079
Diluted EPS (cont'd ops)	\$ 1.70	\$ 2.71	\$ 0.79	\$ 0.98	\$ 0.57	\$ 0.49	\$ 2.82	\$ 0.93	\$ 0.96	\$ 0.71	\$ 0.83	\$ 3.44	\$ 3.78	\$ 4.20
Integration	\$ 0.05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition	\$ 0.07	\$ 0.09	\$ 0.11	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.22	\$ 0.01	\$ 0.02	\$ 0.02	\$ -	\$ -	\$ -	\$ -
Supplemental Purch Adj	\$ (0.15)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.05)
Currency Re-Pat	\$ 0.02	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal	\$ (0.23)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plant Close/Consolidation	\$ 0.04	\$ 0.27	\$ 0.01	\$ 0.02	\$ 0.07	\$ 0.12	\$ 0.22	\$ 0.01	\$ 0.00	\$ 0.00	\$ 0.02	\$ -	\$ -	\$ -
Inventory Purch Accounting	\$ 0.01	\$ -	\$ -	\$ -	\$ 0.00	\$ 0.02	\$ 0.02	\$ -	\$ -	\$ 0.01	\$ -	\$ -	\$ -	\$ -
Goodwill Impairment	\$ 0.81	\$ 0.06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other & Severance	\$ -	\$ 0.07	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Release of Foreign Valuation	\$ -	\$ -	\$ -	\$ (0.10)	\$ -	\$ 0.04	\$ (0.06)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uncertain Tax Reserve	\$ (0.18)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted EPS (cont'd ops)	\$ 2.14	\$ 3.20	\$ 0.91	\$ 0.93	\$ 0.68	\$ 0.70	\$ 3.22	\$ 0.95	\$ 0.99	\$ 0.70	\$ 0.83	\$ 3.47	\$ 3.78	\$ 4.20
EPS from disc ops														
Dividends Paid	\$ 0.200	\$ 0.200	\$ 0.050	\$ 0.050	\$ 0.050	\$ 0.050	\$ 0.200	\$ 0.050	\$ 0.050	\$ 0.050	\$ 0.050	\$ 0.200	\$ 0.200	\$ 0.200
Rate of Change Analysis														
Revenue	7.1%	14.8%	7.3%	3.2%	8.9%	10.5%	7.4%	8.5%	5.6%	2.2%	3.5%	5.0%	5.7%	6.8%
Operating Income	-15.0%	61.2%	-0.1%	18.2%	-21.8%	-7.9%	-2.6%	12.3%	6.8%	17.4%	23.2%	14.9%	9.2%	8.4%
Adj Core Op Income--(non-GAAP)	4.2%	38.6%	7.4%	-3.1%	-19.6%	2.3%	-3.0%	4.7%	4.5%	7.0%	5.8%	5.8%	7.6%	8.4%
EPS--Adj if necessary	6.2%	49.5%	12.0%	-0.4%	-7.1%	-5.0%	0.7%	5.2%	6.3%	3.4%	19.2%	7.8%	9.0%	10.9%
Adj EBITDA	4.1%	28.6%	4.8%	-0.4%	-13.0%	6.6%	-0.4%	7.4%	5.2%	11.9%	7.5%	7.1%	9.1%	6.0%
Working Capital	17.4%	-5.3%	3.4%	-1.8%	-5.4%	2.1%	2.1%	8.2%	2.8%	6.2%	-1.2%	-1.2%	6.1%	8.5%
Inventory	15.5%	-0.4%	3.1%	7.5%	4.1%	9.1%	9.1%	6.3%	-0.6%	2.2%	3.5%	3.5%	6.4%	6.7%

Source: Company reports and Hilliard Lyons estimates

Multi-Color Corp (LABL)

Summary Cash Flow	FY'14	FY'15	Q1'16	Q2'16	Q3'16	Q4'16	FY'16	Q1'17	Q2'17	Q3'17E	Q4'17E	FY'17E	FY'18E	FY'19E
Net Income--Ct'd Ops to LABL	28,224	45,716	13,254	16,570	9,628	8,287	47,739	15,805	16,343	12,126	14,232	59,103	64,556	71,706
D & A	39,875	43,569	10,713	11,728	11,105	12,619	46,165	12,299	12,541	13,410	14,020	52,270	56,880	57,490
Major Impairments / (Gain)	13,475	951	-	284	672	918	1,874	-	(278)	0	0	(278)	0	0
Share-base Compensation	1,497	1,970	758	755	762	707	2,982	919	763	500	500	2,682	2,000	2,000
Deferred Income Tax	6,482	6,944	135	(1,415)	1,220	2,403	2,343	27	(62)	1,500	1,500	2,965	6,000	6,000
(Increase) Decrease in Wrk Cap	(13,305)	4,772	(7,435)	(6,170)	758	11,067	(1,780)	(13,188)	(1,367)	(2,571)	18,161	1,035	(5,264)	(7,718)
Operating CF	76,248	103,922	17,425	21,752	24,145	36,001	99,323	15,862	27,940	24,965	48,413	117,777	124,172	129,478
Cap Ex	(30,365)	(29,153)	(11,337)	(8,631)	(8,203)	(6,721)	(34,892)	(10,021)	(8,091)	(15,000)	(15,000)	(48,110)	(40,250)	(39,000)
Acquisitions, net of cash acq	(133,499)	(31,240)	(45,283)	(31,347)	(7,266)	(19,349)	(103,245)	(3,123)	(8,246)	(18,000)	(2,500)	(31,870)	(40,000)	(40,000)
Divestitures	4,921	471	309	2,157	(2,053)	187	600	32	646			680	0	0
Dividends	(3,276)	(3,302)	(831)	(838)	(843)	(839)	(3,351)	(1,337)	(844)			(2,181)	0	0
Free Cash Flow	(85,971)	40,698	(39,717)	(16,907)	5,780	9,279	(41,565)	1,413	11,405	(8,035)	30,913	36,296	43,922	50,478
FCF / Share	\$ (5.18)	\$ 2.41	\$ (2.35)	\$ (1.00)	\$ 0.34	\$ 0.55	\$ (2.45)	\$ 0.08	\$ 0.67	\$ (0.47)	\$ 1.81	\$ 2.13	\$ 2.57	\$ 2.96
FCF as % of NI	-304.6%	89.0%					-87.1%					61.4%	68.0%	70.4%
FCF Yield--@ yr-end price	-14.8%	3.5%					-4.6%					2.8%	3.4%	3.9%
LoC Borrowing / (Repmnts)	26,941	96,077	50,336	14,976	(9,093)	(2,880)	53,339	(3,070)	(11,103)	(8,000)	(38,000)	(60,173)	(20,000)	(20,000)
LTD Borrowing	76,872	251,896	-	642	32	149	823	-	38	0	0	38	0	0
LTD (Repmnts)	(30,589)	(367,868)	(5,860)	(472)	(1,053)	(1,780)	(9,165)	(357)	(4,239)	(800)	(800)	(6,196)	(3,200)	(3,200)
Special Deferred Pmts	(3,129)	(10,916)	-	(221)	(920)	-	(1,141)	-	(1,784)	0	0	(1,784)	0	0
Stock Sale Proceeds / (Repurch)	1,377	2,019	1,562	633	168	343	2,706	1,012	1,263	400	400	3,075	1,600	1,600
Net C.F.	(14,499)	11,906	6,321	(1,349)	(5,086)	5,111	4,997	(1,002)	(4,420)	(16,435)	(7,487)	(28,744)	22,322	28,878
Net CF--Disc Ops														
Reported EBITDA	99,998	140,481	36,779	39,975	28,502	35,337	140,593	41,581	42,701	33,826	42,012	160,722	175,290	185,820
Adj EBITDA (Adj Op Inc + D&A)	117,146	150,696	39,002	41,036	30,903	39,069	150,108	41,904	43,174	34,591	42,012	160,722	175,290	185,820
TTM Adj EBITDA Margin	16.6%	18.6%	18.5%	18.3%	17.4%	17.2%	17.2%	17.2%	17.2%	17.5%	17.7%	17.7%	18.1%	18.0%

Source: Company reports and Hilliard Lyons estimates

Summary Balance Sheet	FY'14	FY'15	Q1'16	Q2'16	Q3'16	Q4'16	FY'16	Q1'17	Q2'17	Q3'17E	Q4'17E	FY'17E	FY'18E	FY'19E
Cash and Equivalents	10,020	18,049	31,505	29,343	27,982	27,709	27,709	28,349	27,750	18,000	10,513	10,513	32,835	61,719
A/R	118,906	111,092	126,289	126,505	116,668	134,920	134,920	137,080	133,651	119,232	127,178	127,178	135,353	144,398
Inventory	56,296	56,067	60,680	63,160	63,203	61,191	61,191	64,480	62,805	64,623	63,343	63,343	67,415	71,920
Other Current Assets	28,202	22,764	29,364	31,282	36,460	26,370	26,370	18,446	23,320	33,261	26,897	26,897	27,435	27,984
Total Current Assets	213,424	207,972	247,838	250,290	244,313	250,190	250,190	248,355	247,526	235,117	227,932	227,932	263,037	306,021
Net PP&E	194,589	190,078	201,491	216,194	214,169	221,295	221,295	218,329	227,315	237,905	240,135	240,135	243,505	245,015
Goodwill	391,690	368,221	411,679	393,214	401,216	422,009	422,009	414,261	410,688	407,888	408,888	408,888	408,888	440,888
Intangible Assets	155,943	145,023	143,790	158,512	156,836	169,146	169,146	163,058	172,571	164,371	164,621	164,621	168,621	172,621
Other Non-Current Assets	8,820	16,077	18,339	17,425	16,133	15,426	15,426	9,592	9,385	(8,928)	(9,107)	(9,107)	(9,857)	(10,670)
Total Assets	964,466	927,371	1,023,137	1,035,635	1,032,667	1,078,066	1,078,066	1,053,595	1,067,485	1,036,353	1,032,469	1,032,469	1,090,194	1,153,875
CP of LT Debt	42,648	2,947	727	2,619	1,466	1,573	1,573	3,537	1,808	1,808	1,808	1,808	124	116
A/P	69,405	62,228	79,594	76,512	77,214	82,958	82,958	77,520	73,708	71,624	72,875	72,875	77,559	82,742
Accrued Exp & Othr	44,378	42,846	44,455	45,981	41,421	52,894	52,894	42,669	44,884	41,738	60,828	60,828	62,045	63,286
Total Current Liabilities	156,431	108,021	124,776	125,112	120,101	137,425	137,425	123,726	120,400	115,170	133,703	133,703	139,604	146,028
Long-Term Debt	435,554	455,583	506,389	519,621	513,808	512,706	512,706	499,370	490,534	482,442	444,442	444,442	425,825	405,833
Deferred Inc Tax	56,561	59,677	60,478	66,558	66,687	65,798	65,798	64,996	68,911	70,411	71,911	71,911	77,911	83,911
Other LT Liabilities	18,173	14,617	18,672	15,794	14,442	19,505	19,505	16,076	21,686	15,298	19,895	19,895	20,293	20,699
Total Liabilities	666,719	637,898	710,315	727,085	715,038	735,434	735,434	704,168	701,531	683,321	669,951	669,951	663,633	656,471
Shareholders' Equity	297,747	289,473	312,822	305,787	314,202	338,992	338,992	346,245	362,626	349,704	359,190	359,190	423,234	494,076
Noncontrolling Interest	-	-	-	2,763	3,427	3,640	3,640	3,182	3,328	3,328	3,328	3,328	3,328	3,328
Book Value	\$ 17.83	\$ 17.15	\$ 18.53	\$ 18.05	\$ 18.52	\$ 20.02	\$ 20.02	\$ 20.41	\$ 21.32	\$ 20.52	\$ 21.07	\$ 21.07	\$ 24.80	\$ 28.92
Tangible Book Value	\$ (14.96)	\$ (13.26)	\$ (14.37)	\$ (14.52)	\$ (14.38)	\$ (14.89)	\$ (14.89)	\$ (13.62)	\$ (12.97)	\$ (13.06)	\$ (12.57)	\$ (12.57)	\$ (9.98)	\$ (6.99)
Current Ratio	1.4x	1.9x	2.0x	2.0x	2.0x	1.8x	1.8x	2.0x	2.1x	2.0x	1.7x	1.7x	1.9x	2.1x
Net LT Debt / Total Cap	58.8%	60.2%	60.3%	61.4%	60.5%	58.6%	58.6%	57.4%	55.8%	56.8%	54.5%	54.5%	48.0%	40.9%
Net Total Debt / Total Cap	61.1%	60.3%	60.3%	61.5%	60.5%	58.7%	58.7%	57.6%	55.9%	56.9%	54.6%	54.6%	48.0%	40.9%
Gross Debt / TTM Adj EBITDA	4.1x	3.0x	3.3x	3.4x	3.5x	3.4x	3.4x	3.3x	3.2x	3.1x	2.8x	2.8x	2.4x	2.2x
TTM ROE--unadjusted	9.9%	15.2%	15.0%	16.9%	16.8%	15.3%	15.3%	15.5%	15.0%	15.4%	16.7%	16.7%	16.4%	15.5%

Source: Company reports and Hilliard Lyons estimates

Analyst Certification

I, Spencer E Joyce, CFA, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject company(ies) and its (their) securities. I also certify that I have not been, am not, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

Important Disclosures

Hilliard Lyons' analysts receive bonus compensation based on Hilliard Lyons' profitability. They do not receive direct payments from investment banking activity.

Investment Ratings

Buy - We believe the stock has significant total return potential in the coming 12 months.

Long-term Buy - We believe the stock is an above average holding in its sector, and expect solid returns to be realized over a longer time frame than our Buy rated issues, typically 2-3 years.

Neutral - We believe the stock is an average holding in its sector, is currently fully valued, and may be used as a source of funds if better opportunities arise.

Underperform - We believe the stock is vulnerable to a price set back in the next 12 months.

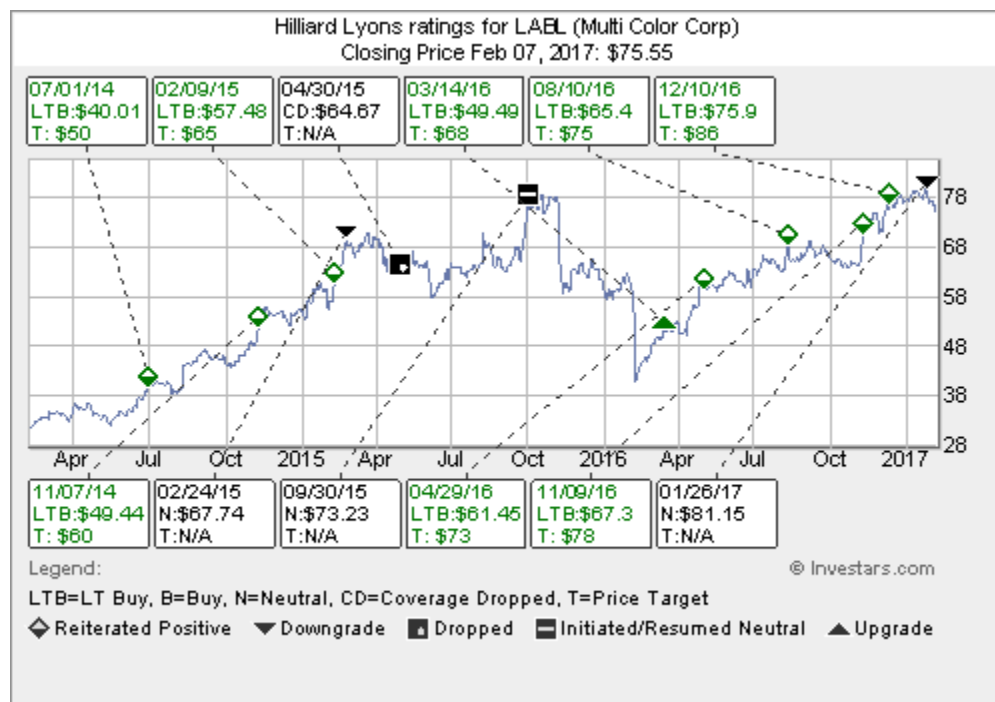
Suitability Ratings

1 - A large cap, core holding with a solid history

2 - A historically secure company which could be cyclical, has a shorter history than a "1" or is subject to event driven setbacks

3 - An above average risk/reward ratio could be due to small size, lack of product diversity, sporadic earnings or high leverage

4 - Speculative, due to small size, inconsistent profitability, erratic revenue, volatility, low trading volume or a narrow customer or product base



Rating	Hilliard Lyons Recommended Issues		Investment Banking Provided in Past 12 Mo.	
	# of Stocks Covered	% of Stocks Covered	Banking	No Banking
Buy	33	27%	18%	82%
Hold/Neutral	76	62%	7%	93%
Sell	13	11%	0%	100%

As of 6 January 2017

Other Disclosures

Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situation or needs of individual investors. Employees of J.J.B. Hilliard, W.L. Lyons, LLC or its affiliates may, at times, release written or oral commentary, technical analysis or trading strategies that differ from the opinions expressed here.

J.J.B. Hilliard, W.L. Lyons, LLC is a multi-disciplined financial services firm that regularly seeks investment banking assignments and compensation from issuers for services including, but not limited to, acting as an underwriter in an offering or financial advisor in a merger or acquisition, or serving as placement agent in private transactions.

The information herein has been obtained from sources we believe to be reliable but is not guaranteed and does not purport to be a complete statement of all material factors. This is for informational purposes and is not a solicitation of orders to purchase or sell securities. Reproduction is forbidden unless authorized. All rights reserved.